

ANNUAL DISCLOSURE REPORT

FISCAL YEAR ENDING JUNE 30, 2020

City of Riverside

Series	Dated	CUSIP Numbers
\$31,960,000 CITY OF RIVERSIDE TAXABLE PENSION OBLIGATION REFUNDING BONDS 2017 SERIES A	5/31/2017	769036AX2 THROUGH 769036BG8
\$432,165,000 CITY OF RIVERSIDE TAXABLE PENSION OBLIGATION BONDS 2020 SERIES A	6/11/2020	769036BH6 THROUGH 769036BT0

Prepared by
City of Riverside

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Preparation Date: March 30, 2021

As required by Sections 4(a) and 4(b) of the Continuing Disclosure Certificates, executed and delivered by the City of Riverside (the “City”) relating to the City’s Taxable Pension Obligation Refunding Bonds, Series 2017A and Taxable Pension Obligation Bonds, Series 2020A (the “Bonds”), the City provides the following:

Section 4(a): Audited Financial Statements of the Issuer prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board.

Included by reference in this Annual Report is the City of Riverside’s Annual Comprehensive Financial Report, which includes the audited financial statements of the City of Riverside prepared in accordance with generally accepted accounting principles for the year ending June 30, 2020. The Annual Financial Report was filed with the Municipal Securities Rulemaking Board’s Electronic Municipal Access System (“EMMA”) in March 2021.

Section 4(b): The following required information per the Continuing Disclosure Certificate for the Bonds can be found within the City’s Annual Comprehensive Financial Report for the year ending June 30, 2020 at the listed locations:

2017A 2020A Certificate Reference	Description	Annual Financial Report Location
4(b)(i)	Table 2, containing information about the City’s General Fund balance sheet.	Pg. 23
4(b)(ii)	Table 3 containing information concerning the actual revenues, expenditures, and beginning and ending fund balances relating to the General Fund of the City.	Pg. 25
4(b)(ii)	Table 7 showing tax revenue collections by source.	Pg. 116
4(b)(iv)	Table 10, containing information about assessed values of taxable property.	Pg. 118
4(b)(v)	Table 11, containing information about principal property taxpayers.	Pg. 120

Table 5
CITY OF RIVERSIDE
GENERAL FUND ADOPTED BUDGET (FISCAL YEAR 2020-21)
(Amounts Expressed in Thousands)

Revenues	
Sales & Use Tax	\$ 59,644
Property Tax	70,855
Utilities Users Tax	30,072
Charges for Services	15,381
Licenses and Permits	8,679
Property Transfer Tax	-
Fines and Forfeitures	1,659
Franchises	5,262
Special Assessments	513
Transient Occupancy Tax	2,710
Intergovernmental Revenues	1,145
One-Time Revenues ⁽¹⁾	4,118
Transfers In ⁽²⁾	79,117
COVID-19 Contingency Revenue Reduction ⁽³⁾	(7,755)
Total Revenues	\$ 271,400
Expenditures	
City Attorney	\$ 5,391
City Clerk	3,170
City Council	1,504
City Manager	4,543
Community Development	14,994
Finance	6,670
Fire	63,102
General Services	4,687
Human Resources	3,610
Innovation & Technology	10,402
Library	7,523
Mayor	849
Museum	1,953
Non-Departmental	9,337
Parks, Recreation & Community Svcs	21,637
Police	115,800
Public Works	14,595
Negotiated Labor Adjustments	-
Allocation Expenditures ⁽⁴⁾	(23,076)
POB Issuance - UAL Savings	(7,000)
Transfers Out ⁽⁵⁾	11,709
Total Expenditures	\$ 271,400
Revenue over/(under) expenditure	-
Other financing sources (uses)	
Measure Z Transaction & Use Tax ⁽⁶⁾	\$ 56,200
Measure Z - appropriations	(64,668)
Total other financing sources (uses)	\$ (8,468)
Net change in fund balance	(8,468)
Fund balance, beginning ⁽⁷⁾	133,869
Fund balance, ending	125,401

Table 5
CITY OF RIVERSIDE
GENERAL FUND ADOPTED BUDGET (FISCAL YEAR 2020-21)
(Amounts Expressed in Thousands)

- (1) Includes claims recovery and sale of land, buildings, salvaged materials and equipment
- (2) Transfers In include annual operating transfers from the Electric Fund, and Water Fund to maintain local general purposes or other appropriations, transfer from Measure Z to fund critical operating needs and capital projects and transfer from the Sewer Fund for liability cost recovery.
- (3) Additional revenue reduction contingency incorporated into the adopted budget, allowing a buffer for the unknown impacts of COVID-19 on other revenues such as franchise fees, building and other permits, and the general fund transfer, or for larger impacts than expected on revenues already reduced.
- (4) Part of non-departmental expenditures. Includes allocated charges which are typically used to allocate administrative service costs to departments that receive the benefit of services provided by General Fund departments. The budget will show as a negative (contra) expenditure, offsetting the department's operating cost.
- (5) Transfers out include transfers to subsidize Civic Entertainment and Special District activity and debt service requirements in the Park Capital Improvement Fund.
- (6) Measure Z is a 1% Transaction and Use Tax approved by the electorate on November 8, 2016 and expires in 2036. Funds are segregated but available for General Fund obligations.
- (7) 2019-20 Adopted Budget beginning fund balance is the General Fund's 2018-19 ending fund balance from City's Annual Financial Report for the Year Ending June 30, 2019.

Table 12, showing property tax levies and collections, only if and for so long as the City is not covered by the County’s Teeter Plan:

The City is currently covered by the County’s Teeter Plan.

Table 13, containing information showing the aggregate principal amount of long-term bonds, leases and other obligations of the City which are payable out of the General Fund of the City:

<u>Debt Issuance</u>	<u>Original Issue</u>	<u>Outstanding Principal Balance 6/30/2020</u>
General Obligation Bonds	\$20,000,000	\$7,795,000
Pension Obligation Bonds ⁽¹⁾	553,665,000	484,525,000
Certificates of Participation ⁽²⁾	148,245,000	94,205,000
Lease Revenue Bonds ⁽³⁾	90,725,000	77,855,000
Capital Leases	32,223,000	18,729,713
Private Placement Financing	4,000,000	899,671

(1) In FY 2021, 77% of the POB debt service is allocated in General and Measure Z funds. 23% is allocated to other funds based on the percentage of CalPERS plan employees budgeted in those Funds.

(2) In FY 2021, 72% of debt service for COPs is allocated in General and Measure Z funds. 28% is allocated to other funds based on capital projects funded with bond proceeds.

(3) In FY 2021 86% of debt service for Lease Revenue Bonds is allocated in General and Measure Z Funds. 14% is allocated to other funds based on projects funded with bond proceeds.

**Table 14 of the 2020A POB Official Statement
CITY OF RIVERSIDE
PENSION TIERS FOR CITY EMPLOYEES**

<i>Pension Plan</i>	<i>Pension Formula</i>	<i>Benefit Calculation⁽³⁾</i>	<i>Effective Date - Formula and Benefit Calculation</i>	<i>Effective Date - Employees Paying Employee Share of Contribution</i>
Safety - Fire	Tier 1: 3.0% @ 50	Tier 1: 1 Year	--	January 1, 2019 ⁽⁴⁾
	Tier 2: 3.0% @ 55	Tier 2: 3 Years	June 11, 2011	June 11, 2011
	Tier 3: 2.7% @ 57	Tier 3: 3 Years	January 1, 2013	January 1, 2013
Safety - Police ⁽¹⁾	Tier 1: 3.0% @ 50	Tier 1: 1 Year	--	January 1, 2018 ⁽⁵⁾
	Tier 2: 3.0% @ 50	Tier 2: 3 Years	February 17, 2012	February 17, 2012
	Tier 3: 2.7% @ 57	Tier 3: 3 Years	January 1, 2013	January 1, 2013
Miscellaneous	Tier 1: 2.7% @ 55	Tier 1: 1 Year	--	January 1, 2018 ⁽⁶⁾
	Tier 2: 2.7% @ 55	Tier 2: 3 Years	December 16, 2011	October 19, 2011
	Tier 3: 2.5% @ 62 ⁽²⁾	Tier 3: 3 Years	January 1, 2013	January 1, 2013

(1) The dates shown apply to the Police Officer, Police Pilot, and Police Detective classifications. The Police Sergeants and Riverside Police Administrators Association (ranks of Lieutenant and above) are negotiated separately at a subsequent date, but are now also subject to the provisions of the second tier.

(2) The Miscellaneous plan mandated by PEPRA is commonly known as the "2.0% @ 62 Plan", however, the maximum benefit that can be earned under the plan is 2.5% at age 67.

(3) The Benefit Calculation refers to the number of years of salary included in the calculation of the amount to which the retirement benefit is applied. In the case of one year, the highest year of salary is utilized. In the case of three years, the highest consecutive three years is utilized.

(4) Tier 1 employees currently pay annually 5.0% of covered pay towards PERS normal cost, increasing to 8.0% in 2021.

(5) Tier 1 employees currently pay annually 4.5% of covered pay towards PERS normal cost, increasing to 6.0% in 2021.

(6) SEIU and SEIU Refuse employees currently pay annually 8.0% of covered pay toward PERS normal cost. IBEW employees currently pay annually 6.0% of covered pay toward PERS normal cost, increasing to 8.0% in November 2020. Certain unrepresented employees currently pay annually 6.0% of covered pay toward PERS normal cost, increasing to 8.0% in 2021.

Source: *City of Riverside*

Table 14 (2017A) / Table 15 (2020A) and Table 15 (2017A) / Table 16 (2020A) containing information on the City's historical funding status with respect to its PERS retirement plans:

Table 14 (2017A)
Table 15 (2020A)
CITY OF RIVERSIDE
HISTORICAL FUNDING STATUS
(Miscellaneous Plan)

<i>Valuation Date</i>	<i>Accrued Liability</i>	<i>Market Value of Assets (MVA)</i>	<i>Unfunded Liability⁽¹⁾</i>	<i>MVA Funded Status</i>	<i>Affects City Contribution Rate for Fiscal Year</i>	<i>Annual Covered Payroll</i>	<i>City Contribution Amount⁽¹⁾</i>	<i>UAL as a Percentage of Payroll</i>
June 30 2019	\$1,462,992,745	\$1,138,310,022	\$ 324,682,723	77.8%	2021-2022	\$126,381,375	\$ 28,649,719	256.9%

Table 15 (2017A)
Table 16 (2020A)
CITY OF RIVERSIDE
HISTORICAL FUNDING STATUS
(Safety Plan)

<i>Valuation Date</i>	<i>Accrued Liability</i>	<i>Market Value of Assets (MVA)</i>	<i>Unfunded Liability⁽¹⁾</i>	<i>MVA Funded Status</i>	<i>Affects City Contribution Rate for Fiscal Year</i>	<i>Annual Covered Payroll⁽¹⁾</i>	<i>City Contribution Amount</i>	<i>UAL as a Percentage of Payroll</i>
June 30 2019	1,170,505,908	830,071,258	340,434,650	70.9%	2021-2022	71,871,876	28,099,309	473.7%

(1) Amounts are actuarially required employer contributions amounts from the PERS Annual Valuation Reports rather than the actual amounts contributed by the City. The City's actual contributions differ based on increases or decreases in staffing levels. Differences are accounted for in future actuarially required contribution amounts.

Source: CalPERS Actuarial Reports as of June 30, 2019 dated July 2020

As a result of the implementation of GASB Statement No. 68, the information presented in Table 16, Table 17, and Table 18 of the 2017 Series A Official Statement is no longer reported by PERS.

Table 17 and Table 18 of the 2020A Official Statement containing information on the City's present and future employer contribution rates with respect to its PERS retirement plans:

**Table 17 (2020A)
CITY OF RIVERSIDE
PRESENT AND FUTURE EMPLOYER CONTRIBUTIONS
(Miscellaneous Plan)**

<i>Fiscal Year</i>	<i>2021-22</i>	<i>2022-23</i>	<i>2023-24</i>	<i>2024-25</i>	<i>2025-26</i>	<i>2026-27</i>
Normal Cost %	12.730%	12.400%	12.100%	11.800%	11.500%	11.200%
UAL Payment	\$11,197,247	\$11,637,000	\$10,852,000	\$10,972,000	\$11,386,000	\$11,665,000
Total as a % of Payroll	20.9%	20.7%	19.6%	19.2%	18.9%	18.6%
Projected Payroll	\$137,097,195	\$140,867,368	\$144,741,220	\$148,721,604	\$152,811,447	\$157,013,762
Total Employer Contribution⁽¹⁾	\$28,649,720	\$29,104,554	\$28,365,688	\$28,521,149	\$28,959,316	\$29,250,541

⁽¹⁾ Equal to the Normal Cost % multiplied by the Projected Payroll, and added to the UAL Payment
Source: PERS Actuarial Report for June 30, 2019

**Table 18 (2020A)
CITY OF RIVERSIDE
PRESENT AND FUTURE EMPLOYER CONTRIBUTIONS
(Safety Plan)**

<i>Fiscal Year</i>	<i>2021-22</i>	<i>2022-23</i>	<i>2023-24</i>	<i>2024-25</i>	<i>2025-26</i>	<i>2026-27</i>
Normal Cost %	21.780%	21.500%	21.200%	21.000%	20.700%	20.400%
UAL Payment	\$11,118,344	\$12,313,000	\$12,314,000	\$10,872,000	\$12,688,000	\$12,259,000
Total as a % of Payroll	36.0%	36.9%	36.2%	33.8%	35.3%	34.1%
Projected Payroll	\$77,965,860	\$80,109,921	\$82,312,943	\$84,576,550	\$86,902,405	\$89,292,221
Total Employer Contribution⁽¹⁾	\$28,099,308	\$29,536,633	\$29,764,344	\$28,633,076	\$30,676,798	\$30,474,613

⁽¹⁾ Equal to the Normal Cost % multiplied by the Projected Payroll, and added to the UAL Payment
Source: PERS Actuarial Report for June 30, 2019